ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Pacific City Financial Corporation/Pacific City Bank

Person to be contacted regarding this report:	Andrew Chung	RSSD: (For Bank Holding Companies)	3595084
CPP Funds Received:	$16,200,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	$0	FDIC Certificate Number: (For Depository Institutions)	57463
Date Funded (first funding):	12/19/2008	City:	Los Angeles
Date Repaid[1]:		State:	California

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	Though our overall lending volume has decreased year-over-year, we selectively increased residential mortgage loans.

☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	We commenced residential mortgage center in mid-2009 and have originated about $12 million in mortgage loans. Of that, we sold about $6.5 million in the secondary market and had about $5.5 million on our books at year-end. We plan to increase our mortgage loan origination in 2010.
☐	Increase securities purchased (ABS, MBS, etc.).	
☐	Make other investments	
☒	Increase reserves for non-performing assets	We used CPP funds as a buffer to provide additional credit protection for loan losses. ALLL increased by $9.0 million from about $8.5 million at 12/31/08 to about $17.6 million at 12/31/09. During the year 2009, we added $26.9 million in new loan loss provisions.

☐	Reduce borrowings	
☒	Increase charge-offs	Net charge-offs increased $13.0 million from about $4.9 million in 2008 to about $17.9 million in 2009.
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

We did not have to shrink our balance sheet as much to maintain and preserve our capital ratios. Had we not have the CPP funds, with the losses incurred in 2009, we would have had to shrink our balance sheet further by about $74 million in risk-weighted assets to maintain well-capitalized status.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We were able to aggressively charge-off problem loans and increase our loan loss provisions. We added $26.9 million to our loan loss provision expenses in 2009 compared to $7.1 million in 2008. We were also able to sell potential problem loans in a privately negotiated deals to reduce assets and reduce problem loans.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.